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Chairman: Mrs. EMERSON (Portugal)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.30 a.m.

AGENDA ITEM 124: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (continued)

Statement by the Under-Secretary-General for Administration and Management

1. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that it was his duty to draw the attention of Member States to the fact that the cash position of peace-keeping operations was in an extremely critical state, was much worse than had been anticipated when the Controller had warned the Fifth Committee a few weeks previously about the expected deficit in August. As of 30 June 1994, unpaid assessments for peace-keeping had exceeded $2.1 billion. A number of contributions expected in June had not been paid. Therefore, unless substantial contributions were received immediately, there would not be any cash for peace-keeping operations by the end of July or early August. The missions that were in the most precarious situation were the United Nations Operation in Somalia (UNOSOM), the United Nations Operation in Mozambique (ONUMOZ), the United Nations Observer Mission in El Salvador (ONUSAL), the United Nations Interim Force in Lebanon (UNIFIL), the United Nations Iraq-Kuwait Observation Mission (UNIKOM) and the United Nations Protection Force (UNPROFOR). For UNOSOM and ONUMOZ alone, a total of $12 million had been borrowed to meet immediate cash requirements.

2. A minimum of $200 million a month was needed to sustain the various peace-keeping operations, without any reimbursements to Governments. The Organization did not have any resources to support those operations. The Peace-keeping Reserve Fund and the funds available from the United Nations Iran-Iraq Military Observer Group (UNIIMOG) and the United Nations Transition Assistance Group (UNTAG) were totally inadequate for that purpose. It would therefore be necessary to borrow from other ongoing peace-keeping operations, which had very limited resources themselves. Even with such an arrangement, total cash collapse could not be avoided unless substantial contributions were received at once.

3. The Secretariat had accordingly taken urgent steps: instructions had been given to all peace-keeping operations to reduce expenditures to the maximum extent possible and to postpone any expenditures that could be delayed; all but the most urgent procurement had been postponed; and recruitment had been postponed in all but the most essential cases.

4. Every effort had been made to accelerate reimbursement of troop costs, but, in such a precarious financial situation, there was no other option but to ask the countries concerned to be understanding. It was clear that the steps outlined could only postpone cash collapse. The only possible way to avert the suspension of operations was for Member States to pay their outstanding contributions promptly and in full. That appeal was addressed especially to those with large outstanding contributions.

5. On behalf of the Secretary-General, he expressed sincere appreciation to those Member States which had responded promptly to the assessment letters. Unfortunately, such States constituted a very small minority of the membership of the Organization. All Member States had a collective responsibility to support financially the operations which they had mandated. The assessment letters sent by the Secretary-General reflected the decisions taken by Member States and if the Organization was to fulfil the tasks assigned to it, Member States must now honour their commitments.

AGENDA ITEM 123: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995 (continued)

Programme budget implications of the adoption of draft resolution A/48/L.57 on agenda item 31 (The situation of democracy and human rights in Haiti) (A/C.5/48/79, A/48/7/Add.14 and A/48/L.57)

6. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee (A/48/7/Add.14), said that should the General Assembly adopt draft resolution A/48/L.57, the International Civilian Mission to Haiti would be maintained and the activities that had previously been suspended would be resumed gradually, as indicated in the report of the Secretary-General (A/C.5/48/79). The Secretary-General estimated that the total additional requirements for the extension of the Mission's mandate up to 31 March 1995 would amount to $18,707,700, but that, as a result of savings that had been made in the appropriations previously approved by the General Assembly, the required amount would not exceed $15.7 million. The Advisory Committee was very familiar with the situation in the region where the mission was operating and, judging from the latest information, doubted whether all of the staffing and operational resources which had been requested would be required during the period specified in the Secretary-General's statement. However, since the Advisory Committee was not recommending that the General Assembly immediately make an appropriation which would result in an assessment, it had decided not to change the amount requested at the current stage. In paragraph 7 of its report, the Advisory Committee recommended that the Fifth Committee should inform the General Assembly that, should the Assembly adopt draft resolution A/48/L.57, an additional expenditure in an amount of up to $15,692,000 would be required under section 4 of the programme budget for the biennium 1994-1995. However, the Committee believed that, because of the circumstances in the area of operation, it was not possible at the current stage to indicate the exact level of the additional appropriation that might be necessary. Such additional appropriation as might be necessary would be considered by the Advisory Committee during the forty-ninth session of the General Assembly.

7. The CHAIRMAN suggested that the Committee should inform the General Assembly that should the Assembly adopt draft resolution A/48/L.57, an additional expenditure in an amount of up to $15,692,000 would be required under section 4 of the programme budget for the biennium 1994-1995. The

Secretary-General would be authorized to enter into commitments of up to $15,692,000 for the period up to 31 March 1995.

8. It was so decided.

Programme budget implications of draft resolution A/48/L.60 on the adoption of the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea (A/C.5/48/80, A/48/7/Add.16 and A/48/L.60)

9. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the report of the Advisory Committee in document A/48/7/Add.16 was a preliminary report. It summarized the resources which might be required by the International Seabed Authority under the regular budget on the basis of the Secretary-General's assumptions. The maximum amount that might be paid by the United Nations until the end of 1999, assuming that the Agreement did not enter into force until 16 November 1998, would be $25,438,500. If it was assumed that the Agreement would enter into force earlier than that date, the amount charged to the regular budget of the United Nations would be correspondingly less. The Advisory Committee recalled paragraphs 1 and 2 of Article 17 of the Charter of the United Nations and pointed out that the provisions of section 1, paragraph 14, of the annex to the Agreement must be implemented in accordance with the requirements of Article 17 of the Charter. The Advisory Committee would subsequently draw up guidelines on the procedure to be applied to the budget of the Authority on the basis of Article 17. In the meantime, it recommended that the Fifth Committee should inform the General Assembly that should the Assembly adopt draft resolution A/48/L.60, including operative paragraph 8 thereof, an appropriation of $1,589,700 would be required under section 32 of the programme budget for the biennium 1994-1995, to be offset by a reduction of $1,149,900 under section 7. The General Assembly would later consider the net additional appropriation of $439,800 which would be subject to the provisions for the use and operation of the contingency fund. Finally, the Advisory Committee drew attention to paragraph 8 of its report (A/48/7/Add.16).

10. Mr. STITT (United Kingdom), nothing that the statement of programme budget implications of the draft resolution in document A/48/L.60 contained a considerable number of new elements, requested that informal consultations be held in order to allow for more detailed consideration of those matters, specially the volume of the estimates.

11. Mr. MICHALSKI (United States of America) supported the United Kingdom proposal. His delegation was also somewhat concerned about he volume of resources requested for the Authority, particularly regarding personnel and conference services. Also, it was not convinced of the need to add a new section to the programme budget.

12. Mr. KUZNETSOV (Russian Federation) agreed that informal consultations should be held. His delegation wished at the current stage to present its position on the matter; in particular, it had objections regarding the sources and methods of financing. He considered it unacceptable that organs established

by conventions, such as the International Seabed Authority, should be financed from the regular budget of an organization of a universal character. The Authority's expenditures should be financed solely by contributions from the parties to the United Nations Convention on the Law of the Sea, since it was in fact a specialized agency. Furthermore, the charging of the expenditures to the regular budget was likely to continue at least until the end of 1999, which would inevitably entail additional costs. Moreover, the estimates of expenditure given for the period 1994-1999 would certainly be increased. As for the financing of the Authority in 1995, he considered that any additional resources should be derived from a redeployment of the human and financial resources provided under section 7 of the programme budget (Law of the sea and ocean affairs), specially as what was involved was the start-up phase.

13. Mr. SERME (Burkina Faso) supported the speakers who had requested consultations on the points under discussion, and said that the creation of a separate section was linked to other matters of a similar nature which had not yet been resolved.

14. Mr. TAKASU (Controller), replying to the questions raised by the various speakers, said that if the General Assembly were to adopt the draft resolution under consideration, the Authority's administrative costs would be charged to the United Nations budget. The Authority was, of course, a separate entity from the United Nations and, as stated in paragraph 3 of the report of the Advisory Committee (A/48/7/Add.16), the administrative expenses would thereafter be met by assessed contributions of its members. For that reason, it was preferable to manage the funds separately, and the Secretary-General had felt that the best solution was to include a new section, section 32, in the programme budget.

15. The CHAIRMAN announced that informal consultations would be organized in the near future, and that she would ask the representative of Canada to coordinate them.

Integrated Management Information System project (A/C.5/48/12 and Add.1 and A/48/7/Add.15)

16. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee (A/48/7/Add.15), said the Committee had not yet considered the Secretary-General's report (A/C.5/48/12 and Add.1) in detail; the Under-Secretary-General for Administration and Management had asked the Advisory Committee to postpone the presentation of the progress report which it had intended to draft on the subject. The results of the study carried out by the Secretariat were set out in the report (A/C.5/48/12 and Add.1), which had only been issued towards the end of the spring session of ACABQ. The Advisory Committee had had an exchange of views with the Under-Secretary-General for Administration and Management concerning the best way to proceed. The Under-Secretary-General had requested a reallocation of funds amounting to $1.4 million for activities connected with the implementation of the project; ACABQ had agreed to that request, since the Secretary-General considered that the credits earmarked for that purpose were insufficient. The texts of letters

exchanged between the Under-Secretary-General and ACABQ were reproduced as annexes to the report of the Advisory Committee. The report was transmitted for information only and did not require any decision on the part of the Fifth Committee.

17. Mr. MICHALSKI (United States of America) said that his delegation appreciated the frankness and honesty shown by the Secretary-General in his report (A/C.5/48/12 and Add.1), in contrast to certain other documents presented previously by the administration on the subject. The report raised very grave questions concerning not only the Integrated Management Information System (IMIS), but also, in a more general sense, the way in which the Organization was administered. To begin with, there should be an immediate audit of the administrative and financial aspects of the IMIS project, which had been grossly mismanaged so far. The estimates submitted, which were twice as high as the amounts initially forecast, were really incredible. The Secretariat should be reminded that there were limits to the patience of Member States and that their frustration could only increase when they were subjected to a constant stream of documents containing proposals for supposedly stricter and more efficient management and the projects themselves gave rise to renewed criticism of the Organization's management methods. His delegation therefore proposed that the Board of Auditors should be asked to carry out a special study, and it expressed its willingness to allocate additional resources for that study, within the overall limits of the appropriation approved for that purpose in the regular budget. The funds allocated for external audit were currently very limited and would not be sufficient to enable an auditor to carry out a thorough evaluation of the Organization's financial and management systems. His delegation might submit a draft resolution requesting additional resources for that purpose for the Board of Auditors; the results of the audit would be submitted to the General Assembly at its forty-ninth session.

18. The summary at the beginning of report A/C.5/48/12/Add.1 stated that IMIS had not been intended as a cost-reduction project; that was no doubt also true of numerous other Secretariat activities. In any case, his delegation would not approve the additional resources requested for the project. The costs should be financed through redeployment. As for the remarks contained in paragraph 3 of the report, and the "financial crisis" in general, it was apparent that the Organization never knew exactly what its financial position was. In the current instance, if some of the required information was unavailable owing to faulty computer systems, he wondered how one could be sure that the requests submitted were valid. Since 1986, it had become an annual ritual in late summer to talk about the bankruptcy threatening the Organization. However, the imminent crisis never seemed to materialize. Perhaps that was precisely because of the lack of reliable information, as mentioned in the report. But, in the end, the Secretary-General's alarmist statements undermined the Organization's credibility in that respect. In August 1993, according to the Secretariat, the situation with regard to peace-keeping operations had been truly alarming, and yet the available cash resources, as shown in the financial statements, had exceeded $400 million, although, at the same time, the invoices presented by the troop-contributing States had remained unpaid.

19. In paragraph 5 (b) of the aforementioned report, it was also stated that it was impossible to know at any given time how many staff members were actually employed both locally, at each duty station, and at the level of the Organization as a whole. The constant complaints of the Secretariat regarding staff shortages and salary levels lost all meaning if the information provided was inadequate or deliberately falsified. Moreover, the auditors had noted that fact in their most recent reports on the regular budget. Since the staffing levels approved in the tables had been exceeded in certain services, and since the exact sums used to pay the staff were unknown owing to fluctuating exchange rates and inflation, one might conclude that there was a deliberate intention to increase staffing by evading normal budgetary procedures. The situation naturally gave rise to abuses which should result in inquiries and sanctions, and even in the dismissal of those responsible; such abuses would be inconceivable in the private sector or in a national Government. Consequently, it was increasingly difficult to justify to Governments the requests for additional personnel. His delegation nevertheless hoped that the goals of the project would be achieved and that the timetable would be respected, within the limits of the approved package, namely $70 million.

20. Mr. STITT (United Kingdom) joined the representative of the United States in commending the clarity and quality of the Secretary-General's report (A/C.5/48/12/Add.1). The project under consideration was, in fact, a highly technical one requiring areas of expertise not always readily available to public sector bureaucracies. In that connection, he hoped that ACABQ would provide more complete information in that regard. He wholeheartedly supported a project which was aimed at providing the United Nations Secretariat with the means necessary to ensure proper accounting for the taxpayers' money entrusted to it. From that point of view, the project, at the present stage, appeared to meet expectations. The task now was to ensure that the subsequent steps were accomplished as effectively and quickly as possible.

21. Mrs. GOKHALE (India) said she hoped that the timetable for the project would be respected. She understood that a large part of the expenses associated with the project, the cost of which was estimated at $70 million, would be used for the purchase of hardware and software. She hoped that the Secretariat would provide a written list indicating the amount of each contract awarded, the name of the supplier, and whether there had been international competitive bidding. She referred, in particular, to paragraph 42 of the Secretary-General's report, where it was specified that hardware, software and the necessary services would be obtained through competitive bidding. She hoped that greater detail would be provided concerning the procedure followed in the matter.

22. Mr. BOIN (France), after suggesting that a limit be set to the length of statements, said that he shared the concerns and supported the request of the United States representative. He agreed that the Board of Auditors should carry out an independent study of a project which was a costly one, and the results of which, from the point of view of improving management, were thus far unclear. Although he had grave reservations regarding the Secretariat's practice of using external consultants, he felt that, in the circumstances, the technical complexity of the project would justify calling upon a private international

consultant, who could carry out a joint study with the Board of Auditors. The cost of the study, which would be minimal, could be financed from the budget proposed for the project. Moreover, the questions raised by the Indian delegation with regard to the purchase of supplies and respect for certain procedures, particularly international competitive bidding, fell within the competence of the Board of Auditors.

23. Mr. MICHALSKI (United States of America) welcomed the suggestion of the French delegation regarding the hiring of a specialized consultant who, perhaps in cooperation with the Board of Auditors, would enlighten the Committee regarding the project. He hoped that the Secretariat would provide a breakdown of contributions made to the project for each peace-keeping operation. It was unfair that the United States, whose contribution to peace-keeping operations was higher than its share of the regular budget, should finance a project which had been of no use to operations such as the United Nations Transitional Authority in Cambodia (UNTAC). He proposed that the relevant resolutions should no longer refer to the financing of the project through peace-keeping operations.

24. Mr. PRASODJO (Indonesia) felt that the spirit of the Uruguay Round should prevail at the United Nations through the introduction of transparency and non-discriminatory practices. He supported the Indian delegation's request for a list of contractors for the project.

25. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that he would welcome any external study on the progress of the project and, more important, on the current expenditure. After having examined the internal study which had been submitted to the Committee, the contractor of the project had arrived at almost identical estimates of expenditure. He felt that the Board of Auditors should carry out the desired study, since it had kept the file under review and had made comments regarding it, and that it should decide whether to call upon outside specialists. The problems were due in part to the fact that insufficient staff had been allocated to the project. The project had never been intended as a cost-reduction project, but rather as a means of correcting the effects of 30 years of negligence. The use by all personnel of reliable and up-to-date information from a single source would ultimately make it possible to save both time and personnel, even if such savings could not be quantified.

26. He stressed that, although the budget allocated amounted to $70 million, it was calculated precisely and did not allow for unforeseen expenditures. With regard to supplies, hardware purchases represented only a relatively minor portion of the expenditures, of which the majority were allocated to updating software. That task, which had for the most part been completed, had been entrusted to three principal contractors following competitive bidding. A fourth round of competitive bidding was planned after the autumn.

27. Drawing attention to the cost of similar integrated management systems set up by Member States, he said that he would welcome any suggestions regarding ways to improve the project. Fortunately, it was easier to teach staff members

to use an effective system than to reorganize a defective one. Member States must honour their financial obligations and remedy the most serious financial crisis in the history of the United Nations.

28. Mr. BOIN (France) said that France would soon have discharged nearly all of the financial obligations which it had undertaken up to 31 May 1994.

29. The CHAIRMAN read out the following draft decision, based on the suggestions made by the representatives of the United States and India:

"The General Assembly

1. Takes note of the proposal contained in the letter of the Under-Secretary-General for Administration and Management to the Chairman of the Advisory Committee for Administrative and Budgetary Questions regarding the measures which are intended to be taken to accelerate and ensure the completion of the Integrated Management Information System project, pending a detailed consideration of the sixth progress report of the Secretary-General on the subject at its forty-ninth session;

2. Requests the Board of Auditors to conduct a special audit of the Integrated Management Information System, including the methods of procurement of goods and services, with a view to determining the causes of the delays and cost overruns and to report thereon to the General Assembly at its forty-ninth session in time for the consideration of the Secretary-General's proposals on this item;

3. Authorizes the Secretary-General to allocate additional resources to the Board in order to carry out this audit within the overall level of resources approved for the biennium 1994-1995."

30. Mr. BOIN (France), said that he, and the representative of the United Kingdom, would like to have a written text. His delegation did not believe that the Board of Auditors had the necessary competence in the technical, computer science and managerial areas to express an opinion on the project as a whole. He reiterated his proposal that a private international consultant should be asked not only to investigate the causes of the delays and cost overruns, but also to make a critical value judgement on the project as a whole. He suggested that the draft decision should be considered in informal consultations.

31. Mrs. ALMAO (New Zealand) said that she would also like to have a written text. She suggested that the Under-Secretary-General's proposal to include ongoing costs in the study by the Board of Auditors should be incorporated in the text of the draft decision.

32. Mr. CHU Guangyou (China) said that the issue was complex; it related to the improvement of management in the United Nations system and therefore concerned all Member States. He felt that the new elements proposed by the representatives of the United States of America and France should be taken up in informal consultations so as to determine the financial implications of the use

of the services of a consultant for the cost of the project and its implementation.

AGENDA ITEM 138: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued)

(a) FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (continued) (A/48/470/Add.1 and A/48/955)

33. Mr. LIAN (Norway) speaking on behalf of the five Nordic countries, said that the Charter itself established the maintenance of peace and security as the first priority of the United Nations. On that basis, peace-keeping was a core activity and one of the five priorities of the Medium-term Plan for the Period 1992-1997 (A/47/6/Rev.1), since peace was a foundation for development. The Nordic countries believed that the resources needed to supervise and direct peace-keeping operations from United Nations Headquarters should be funded through the regular budget to the largest extent possible; they had therefore supported the requests on that subject that the Secretary-General had made to the General Assembly at its forty-eighth session. They felt that the proposals for budget cuts which the Advisory Committee had made at that time did not adequately reflect the priority which the international community attached to peace-keeping activities.

34. The Nordic countries welcomed the Secretary-General's intention, outlined in his report (A/48/470/Add.1), to build up the number of regular budget posts to support and backstop peace-keeping operations and other field missions gradually in future programme budgets, starting with the proposed programme budget for 1996-1997. They noted that the Advisory Committee's report (A/48/955), was not quite clear in its consideration of that issue, and had hoped that the Secretary-General's proposals for funding of additional posts through the regular budget would be applied to the current biennium. One alternative would be to transfer personnel from other activities that were being discontinued.

35. Since the rationale behind the support account was to accommodate overload posts and unforeseen expenditures at Headquarters and also to meet the requirements associated with the pre-implementation phase of peace-keeping operations, the account should not continue to be used to fund a large number of more permanent posts. The posts, services and equipment not directly related to peace-keeping operations should not be included in the regular budget for the Department of Peace-keeping Operations or in the support account. While the extraordinary growth in peace-keeping operations since 1991 could not be taken as a point of departure for estimating future resource requirements under the support account, it did seem reasonable to expect a high level of United Nations peace-keeping activities to continue. The Secretary-General should be provided with the resources which were necessary to enable the Organization to carry out the peace-keeping mandates that were in place and to meet the requests from Member States as endorsed in various General Assembly resolutions.

36. In view of the difficulty of backstopping the current peace-keeping operations with the staff resources provided for under the regular budget, support account funding must continue to play an important role. The problems presented by the support account should not be exaggerated because, as Mr. Mselle had pointed out in his presentation of the Advisory Committee's report, the annual cost was in the vicinity of US$ 43 million, or approximately 1 per cent of the total peace-keeping budget.

37. The Nordic countries welcomed the Secretary-General's efforts to present a comprehensive overview in his report of the scope and use of the support account and the regular budget for the administrative backstopping of peace-keeping operations. They noted that, despite the efforts made to absorb that additional workload, the absorptive capacity of the Secretariat was stretched to the limit, not only because of the number and size of current operations, but also because of the advent of multi-component missions and more complex mandates. The fact, noted in paragraph 49 of the Advisory Committee's report, that 75 military officers were currently working within the Department of Peace-keeping Operations on loan from Governments at no cost to the Organization illustrated the inadequacy of the resources currently provided for the backstopping of peace-keeping operations under the regular budget and the support account.

38. The Nordic countries recognized the need, stressed in paragraph 18 of the Secretary-General's report, for an expanded use of the peace-keeping support account in the immediate future, and accepted the resource requirements set out in paragraph 38 of that report. They believed that it was unnecessary to call for additional workload statistics or new criteria for distinguishing between the activities to be financed from the regular budget and those to be financed from the support account in order to justify reasonable needs for additional staff. They noted that the level of funding of the support account, amounting to 8.5 per cent of the cost of the civilian component of each mission, was adequate, and that not all of the authorized amounts had been expended over the past two or three years as a result, inter alia, of lengthy and restrictive recruitment procedures. The new provisions of the 300 series of Staff Rules governing limited duration appointments should help speed up those procedures. Since the figure of 8.5 per cent was based on average overload levels for some operations several years previously, the Nordic countries would not exclude the possibility of increasing it if regular budget funding did not improve.

39. The Nordic countries could accept the delineation of backstopping responsibilities for peace-keeping activities outlined in paragraphs 22 to 26 of the report of the Secretary-General and the criteria put forward in paragraphs 27 to 33 for determining the funding of posts. It would be logical to fund the main nucleus of backstopping posts at Headquarters from the regular budget. The share of regular budget funding should be increased; for example, planning and policy posts could be funded under the regular budget, and the more variable "operational" posts under the support account.

40. The Nordic countries felt that it was time to improve the training of all mission personnel. Training was an important part of the pre-implementation phase of peace-keeping operations, for which the support account was meant to

provide funding. They noted, however, that ACABQ had not recommended approval of the additional staffing requested by the Secretary-General for the Training Unit, pending further justification and the development and submission of a precise training programme. Furthermore, the Advisory Committee recommended approval of all non-post requirements listed in the Secretary-General's report, with the exception of the $480,000 requested for training purposes. A detailed training programme had, however, been prepared by the Department of Peace-keeping Operations but it had not been submitted to ACABQ. The Nordic countries hoped that the programme could be considered in informal consultations in order to allow for approval of the funding requested. Otherwise, problems would arise for the secondment of the training staff who were due to arrive in New York for the publication of handbooks for troop-contributing countries, and for the holding of four planned coordination seminars in late 1994 in various member countries.

41. Finally, the Nordic countries favoured the introduction of annual budget estimates for the support account for peace-keeping operations; that would help to simplify the approval procedures for peace-keeping budgets.

42. Mr. MICHALSKI (United States of America) said that the United States Congress was currently considering a request for additional funds to finance the United States contribution to peace-keeping operations. Because of the slowness of the procedure, the United States had been late in making a series of payments, but it must not be forgotten that in 1993, for example, its contribution had represented approximately 32 per cent of the total amount of the contributions for financing such operations.

43. The question of the criteria for determining the method of financing the support costs must be considered in greater depth. He rejected the Secretary-General's position that constraints on the regular budget of the United Nations had prevented a significant increase in the funds devoted to peace-keeping. Contrary to the statements made by certain delegations in the past, peace-keeping activities should have the same share of the regular budget as economic and social activities, in other words, approximately 25 per cent, not counting administrative costs and conference services.

44. He was surprised at the comment by the Secretary-General in his report that the ability of the Department of Administration and Management to deal with additional tasks had been reduced as a consequence of a significant reduction in staff. As far as he knew, the staff level financed through the regular budget and extrabudgetary funds, as initially proposed for 1994-1995, was the same as that approved for 1992-1993. That argument, and the idea that the regular budget was already overburdened could not be used to justify an increase in the funding of the support account.

45. The United States favoured the creation of a support account because of the flexibility which it offered with regard to management. However, functions such as those of the Peace-keeping Financing Division were currently financed entirely through the support account. There was a danger that increased funding of the support account might allow the Secretariat to circumvent the budgetary

constraints imposed by General Assembly resolution 41/213. The United States had grave reservations regarding many requests for staffing increases submitted by the Secretariat and felt that the Advisory Committee had at times been too generous. In that regard, he wondered how the Secretariat had arrived at the figure of 630 backstopping posts in the light of the uncertainty concerning the future number of peace-keeping operations. He felt that, with each new request for personnel, all posts, even those already approved in the past, should be reconsidered. To that end, the Secretariat should provide an up-to-date list of all posts with their corresponding functions.

46. In general, the manner in which information was presented in the Secretary-General's report left much to be desired, and the justifications provided were far from sufficient, a problem which should be mentioned in the draft resolution. Pending the formulation of guidelines for the allocation of posts between the regular budget and the support account, the rate of 8.5 per cent might be a solution, provided that it was borne in mind that that percentage had no rational basis and might be reduced. It would also be useful to know whether the posts financed from the regular budget were devoted exclusively to peace-keeping operations, which did not appear to be the case. In addition, he would like further information regarding an external audit of the accounts, as well as an explanation of the transfer of all the posts of the Peace-keeping Financing Division to the support account.

47. He wondered whether the 25 or 26 posts which the Secretariat had urgently requested for the Department of Administration and Management and which had not been approved by the General Assembly in December 1993 had finally been filled between the beginning of January and the end of March and, if not, whether the resulting savings would be taken into consideration in the decision regarding the financing of peace-keeping operations for the period up to the end of 1994. Moreover, his delegation believed that the total funds approved should correspond to the actual number of posts approved, which had not been the case in 1993. He hoped that the Fifth Committee would take the time to consider in informal consultations a number of problems which, in the opinion of some, raised questions of principle and that it would at least achieve a consensus regarding the short-term financing of peace-keeping operations.

48. Mr. BOIN (France) supported the statement of the representative of Norway, particularly regarding the need to make increasing use of the regular budget to finance posts currently funded through the support account. In its report, the Secretariat had not provided convincing detail concerning the criteria for the allocation of expenditures between the regular budget and the support account. His delegation, while aware of the difficulty of distinguishing between basic and operational functions, felt that the support account should be reserved for posts of a logistical nature, while basic functions should be financed through the regular budget. In other words, the support account should make it possible to deal with the unexpected (creation of new or particularly complex forces) and should be used as a stopgap measure until those forces were included in the general budget. The Secretariat should therefore submit proposals for the inclusion of logistical backstopping posts in the regular budget when the

revised estimates for the biennium 1994-1995 were submitted. His delegation hoped that that request would be included in the draft resolution.

49. The support account for peace-keeping operations required some flexibility which must be met through the establishment of temporary posts. In that connection, he wished to know whether all the posts currently financed from the support account were indeed temporary posts. Similarly, the logistical support posts included in the regular budget should all be temporary posts to enable the Secretariat to handle the possibility of a sharp decline in peace-keeping operations. Finally, he would like the Secretariat to prepare a financial statement of the support account giving a breakdown of resources and their utilization, especially with regard to the operational reserve.

50. Mr. MERIFIELD (Canada) said that the comments made by the representative of Norway on behalf of the Nordic countries indicated the right approach. Noting that a substantial portion of the voluntary contributions to peace-keeping operations referred to in paragraph 49 of the ACABQ report was neither reflected as voluntary contributions nor appeared in the budget, he said that there should be a way of remedying that situation, at least in part.

51. The financial statement proposed by the representative of France would ensure that the rate of 8.5 per cent was adequate to finance the support costs. The costs should be financed from the regular budget in the proper ratio and the temporary posts included in the regular budget must remain unchanged. It would also be wiser to prepare an annual budget.

52. Mr. KELLY (Ireland) said that, in general, he supported the position taken by the Secretary-General in his report and, consequently, the comments made by the representative of Norway. Like the representative of Canada, he regretted, that substantial voluntary contributions made by a number of Member States could not be credited to the support account since that account had originally been established to meet the support costs.

AGENDA ITEM 149: FINANCING OF THE UNITED NATIONS OPERATION IN MOZAMBIQUE (ONUMOZ) (continued) (A/48/849/Add.1 and A/48/956)

53. Mr. HOSANG (Director, Peace-keeping Financing Division) said that the latest payment made under the reimbursement to troop-contributing countries had been made at the beginning of April 1994 and related to January 1994. The total amount outstanding for the period from 1 February to 30 June 1994 was approximately $31.4 million, while the amount of the outstanding assessed contributions was about $153.2 million as of 30 June. The Indian representative's concerns regarding those two matters had been taken into consideration. With regard to the liquidation of the assets of ONUMOZ, he said that originally, the equipment redeployed had been charged to the new peace-keeping mission and credited to the previous mission. Subsequently, in order to avoid assessing countries twice for the same equipment, it had been decided to indicate in the budget estimates that the equipment concerned had been taken from stocks and did not involve additional costs. The Secretariat would revert

to the previous system as the representative of India had proposed if such was the wish of the General Assembly.

54. Replying to several questions raised by the United States representative, he said that the recruitment of 900 local staff rather than the 1,200 originally planned, should be adequate to provide sufficient support to the electoral observers. With regard to travel costs, he said that the prices of airline tickets varied constantly and the figures indicated included the costs of shipping personal effects, travel subsistence allowances and terminal expenses. A comparative table of the shipping costs of accompanied and non-accompanied baggage would be distributed. As for the costs of hiring helicopters, the Secretariat was attempting to establish standard costs to be applied to the cost estimates submitted to the General Assembly.

55. Negotiations were under way with the management of the hotel which ONUMOZ planned to rent since the new owner was planning on doubling the price that had been announced. With regard to the VSAT terminals, since ONUMOZ had failed to conclude negotiations with the supplier by the beginning of June and feared that the communications equipment would not be ready in time for the elections scheduled for the end of October, it had decided to acquire 20 INMARSAT stations instead. The expected savings of $2 million had not materialized. For the sake of uniformity, the amount of the staff assessment for locally recruited staff had been indicated under the same heading as salaries and common staff costs. Unless Member States decided otherwise, the Secretariat would continue to include that figure except in the case of local staff recruited under special services agreements. Lastly, the amount included in the budget for external audit depended on the amount requested by the Board of Auditors on the basis of its programme of work. If such was the wish of Member States, the Secretariat would propose figures higher than those suggested by the Board of Auditors.

56. Mr. MICHALSKI (United States of America) said that he would also have liked to know whether locally recruited Mozambicans paid tax to their Government and whether the Organization reimbursed them. With regard to the unfortunate rise in hotel rates, his delegation was of the opinion that the Secretary-General could consider taking some measures in collaboration with the host country, to discourage profiteers. On the question of baggage, he had ascertained from personal inquiries that, owing to differences in accompanied baggage rates, it was apparently cheaper to send staff to Mozambique from New York rather than from Geneva and he hoped that that fact would be taken into account.

57. He feared that the figures indicated by the Secretariat with regard to telecommunications equipment did not correspond to the total cost of the equipment and he wondered how many Earth stations would be required for the 15 other peace-keeping operations that the telecommunications system would be extended to serve. Finally, he regretted that the Secretary-General's report on staff assessments had still not been submitted to the Fifth Committee. In the absence of that report, his delegation would not be in a position to take any decision on the issue. That would have no effect on the status of the tax equalization fund since the surplus would allow any tax liabilities of United States nationals serving in ONUMOZ to be covered. He would, however, like an

explanation of the delay in submitting the report, to which his delegation attached great importance.

58. Mr. STITT (United Kingdom) hoped that, in the light of the Under-Secretary-General's statement, the Secretariat would provide, as soon as possible, a statement indicating the status of contributions.

59. Mr. MERIFIELD (Canada) said that the Secretariat should also provide a cash-flow statement and a statement of expenditures up to 30 June 1994, if possible, or at least up to 31 May.

The meeting rose at 1.10 p.m.